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(re RETIREMENT)

1

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[REDACTED] The next item is the retirement problem.

MR. HOUSTON: There are two different situations here. First, the proposals in the Kaplan Bill or Kaplan Study, which is pretty comprehensive and we think a pretty capable review of the situation, and we think the proposals are good. If we want to follow this Bill, and I believe it is the feeling that we should, there is one problem involved in the Social Security. We would have to have some specific exemption from the procedure requirements of the Social Security, for security reasons. We could not comply with their present or contemplated requirements on the procedures.

MR. KIRKPATRICK: That would require legislation?

MR. HOUSTON: That would require exemption through this Bill. We are handling those requirements through special arrangements, but they are avoiding their laws and regulations to do it, and we think it would be unfair for us to ask them to do it on an Agency-wide basis. So if we are in favor of this Bill we would need a specific exemption on this one point. We think it is a good Bill and that we should encourage it and get our exemption.

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[REDACTED] In a summary that was made as the result of yesterday's meeting, this conclusion was reached, with the recommendation that I submit it for your consideration. [Reading]

"That a letter to the Bureau of the Budget be drafted for appropriate Agency coordination recommending inclusion of provision of retirement coverage for U.S. citizen overseas personnel and foreign nationals and that provision be made regarding increase of Social Security coverage of Agency employees, and also covering other technical points, as necessary."

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[REDACTED] Would that meet with your approval?

MR. HOUSTON: Enlarging the coverage of the Bill--

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[REDACTED] Recommending inclusion of provision of retirement coverage for U.S. citizen overseas personnel and foreign nationals.

MR. HOUSTON: All Federal employees are covered, aren't they,

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[REDACTED] Yes - cover people abroad; foreign nationals - maybe yes.

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2

MR. BOULTON: The Kaplan Bill doesn't cover foreign nationals,

F01Ab3b1 and wouldn't cover those persons--a sizeable number of them in [REDACTED]--who
 25X1A6a are non-citizens of [REDACTED] but are stationed in [REDACTED]. They are non-U.S.
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 25X1X1 citizens--they may be [REDACTED] or they may be [REDACTED]. 25X1X1

25X1A9a [REDACTED]: U.S. citizens abroad and foreign nationals--

MR. HOUSTON: U.S. citizens are covered, I believe, wherever they

are.

25X1A9a [REDACTED] That is what I understood. This was drafted by
 the Committee yesterday.

25X1A9a Is that a correct draft, [REDACTED]

25X1A9a [REDACTED] Would you read this paragraph 3, Harry, about our
 discussion with Mr. Kaplan? I think that will clarify it.

25X1A9a 25X1A9a [REDACTED] Two of our people, [REDACTED] went to
 see Mr. Kaplan, and the White House Task Force commented to the Bureau
 of the Budget on the omission of this coverage and made two recommendations.
 First, that the Civil Service Retirement Act be amended to include either:
 (a) a new annuity formula for non-citizens; (b) a general authorization
 for the CSC to establish a variable formula for non-citizen personnel.
 Second, that separate legislation be enacted to allow U.S. agencies to
 participate in foreign systems. [Reading] "It is believed that the
 Agency's letter to the Bureau of the Budget should endorse the first
 proposal; the second does not appear of any importance to the Agency."

MR. KIRKPATRICK: You're mixing apples and oranges, aren't you?

25X1A9a [REDACTED] The DuFlon Committee does not agree with the
 proposals of the Kaplan Committee, and they do not believe--

MR. KIRKPATRICK: What are WE proposing in CIA? Are we proposing
 to ride in on our own Bill?

25X1A9a [REDACTED] We are proposing to ride in on the Kaplan Bill,
 which is not adequate, I believe--

MR. HOUSTON: Our thought is that there is something that is
 hurting us now. There is an adequate Bill, and if we can get what we
 want done under the Kaplan Bill, that we should go along with it.

MR. KIRKPATRICK: I think we ought to go after accelerated retire-
 ment for overseas--

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3

MR. HOUSTON: What I would like to get straight is what we are going to do in regard to this Bill. We feel we should not try to get all these provisions in our own Bill since the Kaplan Bill looks good, and we will need an exemption under Social Security. As I understand now, from the Bureau of the Budget, we move for inclusion of non-citizens without specifying how they are included--is that correct?

25X1A9a [REDACTED] That is correct.

MR. PFORZHEIMER: Move for inclusion of non-citizens plus the security--

MR. KIRKPATRICK: I move the Council approve that.

25X1A9a [REDACTED] You have heard the motion, gentlemen. Those in favor, please say "aye". Contrary minded? [No response] Motion carried.

MR. HOUSTON: The Kaplan Bill does not contain the accelerated retirement provisions, which have been discussed innumerable times, which I believe are still considered desirable by the Career Council, and we feel that we would have to go into that on our own legislation as a separate item.

25X1A9a MR. KIRKPATRICK: Excuse me, [REDACTED], are you aware of this provision in the Kaplan Bill that hits at investigators?

25X1A9a [REDACTED] The one where the retirement should be in the interest of the Government? I saw that.

MR. KIRKPATRICK: You don't object?

25X1A9a [REDACTED] It's not applicable to us in any way, shape or form--just the FBI and one other service.

25X1A9a MR. HOUSTON: The Immigration Border Patrol--

[REDACTED] And the Secret Service.

25X1A9a [REDACTED] There is a mandatory injunction, which was filed on August 31, 1955, and we copied this this morning down in the District Court, where the right of a person in the investigative service to retire under this provision has been withheld from him. This is the sort of problem which we will get into if we adopt the investigative service formula or provision, unless we had very special exemptions--

MR. HOUSTON: We are not in any sense engaged, on the whole, in the type of work which is contemplated in that investigative thing. What

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4

we want to do is to establish a basis of saying we have a parallel need based on similar situations and, consequently, are entitled, I would say, under regulations established by the Director, preferably, to apply accelerated retirement on that basis. Overseas can be based on various considerations.

25X1A9a [REDACTED] The White House Task Force has sent a letter to the Bureau of the Budget recommending specific changes in the Kaplan Bill which are generally in line with the desires that CIA has expressed. Therefore, a possible action would be for CIA to do likewise in parallel action to the DuFlon Committee. I'll read this:

"However, the White House Task Force has commented on this Bill to the Bureau of the Budget that provision be made for giving additional credit to U.S. citizen personnel who retire with 10 or more years of overseas service under this Act using the following formula:"

Now the formula is entirely different from CIA. But it seems to me if the White House Task Force and CIA both comment on the same provisions to the Bureau of the Budget, it might be a valid point, and in the reconsideration of this lack in the Kaplan Bill, which we need--

MR. HOUSTON: I will comment on the history of that. There has been violent opposition to any expansion for this accelerated retirement, both within the Administration and the Congress. And when we explored this with the Civil Service Commission's Retirement Section at one time as to whether they thought they & could get us under this, they [REDACTED] said they would be in a hell of a fix fight to get it for themselves. Whereas if we can justify it, maybe we will get it.

25X1A9a [REDACTED] But the White House Task Force is recommending-- does that mean that is not the Administration's Bill? The White House Task Force is saying to the Bureau of the Budget: "This is not adequate." This is a Civil Service Commission proposal.

MR. PFORZHEIMER: This is a Civil Service proposal.

MR. SAUNDERS: I don't think it would do any harm to at least go on record that we favor it.

25X1A9a MR. KIRKPATRICK: [REDACTED], how do you favor it? You

have more people overseas than anybody else, - you and [REDACTED] 25X1A9a

25X1A9a [REDACTED] I think most of the arguments put forward on hazardous duty overseas, or at least the arguments along that line, there are rare cases where you have hazardous duties, and it might be dealt with

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by some other means. On the other hand, in the Clandestine Services we probably will want to depend on a relatively young group, and I just think it would be a very great benefit to the service if we could have some formula which would provide for their early retirement--I don't mean very early, but reasonably early. What it really amounts to is that, as I see it, for the group of people in Clandestine Services as you get past the age of 50 there will be a percentage that you definitely will want to keep around, for several purposes: one, to continue administrative work of one sort or another, and senior policy work. You will have some who will possibly fit into other parts of CIA. But among the most valuable people we have up to the age of 50 there are those who at that age it might be better for themselves and the service to be approaching retirement age than to carry them for another 15 years, in which case I think we're going to have a burden.

I would therefore suggest that your retirement thing apply to people maybe up to a certain grade--maybe to a 13 or 14, because that would be certain to give you an ample ceiling for that category of clandestine services' people, and be based on overseas duty, because that is the way these people are principally and should be principally used - is overseas. That would be the approach I would personally take, but I haven't had time since I was asked to come here, to canvass the Clandestine Services.

MR. KIRKPATRICK: The last time this was considered the Clandestine Services were in favor of it. But we were also wary, at that time, of making the bid on our own because of opposition. Today I am convinced the Administration does not have an "Administration viewpoint" - if DuFlon as Phillip Young's Assistant as Personnel Advisor to the President, in contradistinction as Chairman of the Civil Service Commission, and Kaplan as an expert in the Civil Service Commission takes another view, I don't think we would be at all amiss in taking our own view and going straight forward.

MR. PFORZHEIMER: Kaplan is outside of the Government. He was Chairman of the President's Committee on Overseas Retirement.

25X1A9a [REDACTED] I think the original proposal that was made, I gathered, here, and that is that you just have an automatic accumulation

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6

toward earlier retirement, year by year, as a person serves overseas--I don't think that is bad. It's simple as hell. I think the DuFlon thing, if you have to have ten years before it counts would put us in a terrible fix because you might have a fellow with seven and a half years that you wouldn't want to send overseas and then he would be bucking and kicking around trying to get overseas.

MR. BOULTON: I agree with you. Their proposal, however, is counter to the Kaplan Bill, which doesn't regard this at all. It's another formula which is in the direction in which we want to go - the DuFlon formula. That doesn't mean we would adopt that formula.

MR. HOUSTON: I think the problem immediately is as to whether on the Kaplan Bill we say nothing, we say it should be included, or we drop it.

MR. KIRKPATRICK: I would recommend we go on our own and put it in our Bill, and not comment on the Kaplan Bill, on that point.

25X1A9a [REDACTED] Have we time to clear up consideration of

that? I feel very much like [REDACTED] does. The Navy have a provision 25X1A9a for voluntary retirement--I have forgotten the years--which takes care of a lot of the Chief Petty Officers and people that want to get out. I have a lot of radio operators who have had 30 years and they've gotten up around 50 and they would like to retire voluntarily. I think the provision is that you retire voluntarily after an "X" number of years of service - which would enable me to get rid of people who have reached their 9, and I think for the people above that there would always be management jobs. Option for voluntary retirement after a certain number of years would be very useful.

MR. PFORZHEIMER: Do we have an extra week to work these things out?

25X1A9a [REDACTED] : Mr. Kirkpatrick has moved that we write our own Bill, outside of the DuFlon or Kaplan consideration, and that we include in it the voluntary retirement suggested by [REDACTED] and the 25X1A9a extra service credits. Do I hear a second to that motion?

MR. HOUSTON: And we will not comment to the Bureau of the Budget on the Kaplan Bill, on this aspect?

25X1A9a [REDACTED] That is added into the motion. Those in favor

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7

please signify by saying "aye". Opposed? No response Motion carried.

MR. PFORZHEIMER: Could we bring the draft back here to the meeting next week, Mr. Chairman?

25X1A9a [REDACTED] Yes, next Thursday.

MR. PFORZHEIMER: I think it might be helpful if we could talk with [REDACTED]

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[REDACTED] Any further business? If not, this meeting stands adjourned.

. . . The meeting adjourned at 4:50 p.m. . . .

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